

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 4/19/2016	(3) CONTACT/PHONE Dave Flynn, Deputy Director of Public Works (805) 781-4463	
(4) SUBJECT Submittal of a resolution for the designation of the San Luis Obispo Council of Governments as the Local Transportation Authority and Transactions and Use Tax District for regional transportation sales tax measures. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Review and comment on the draft Transportation Investment Plan categories and distributions; and 2. Review the list of proposed local projects to be placed in a transportation expenditure plan for consideration under a sales tax measure; and 3. Direct staff to support SLOCOG efforts to develop a final transportation expenditure plan and administrative ordinance for review and approval by August 16, 2016 for consideration of a November 2016 ballot measure. Based on support for recommendations 1 – 3, it is further recommended that the Board: <ol style="list-style-type: none"> 4. Adopt the attached resolution designating the San Luis Obispo Council of Governments (SLOCOG) as the regional Local Transportation Authority and Transaction and Use Tax District for purposes of the administration of regional transportation designated. 			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input checked="" type="checkbox"/> Board Business (Time Est. 60 min)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) All Districts			

Reference: 16APR19-BB-3

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Dave Flynn, Deputy Director of Public Works

VIA: Wade Horton, Director of Public Works

DATE: 4/19/2016

SUBJECT: Submittal of a resolution for the designation of the San Luis Obispo Council of Governments as the Local Transportation Authority and Transactions and Use Tax District for regional transportation sales tax measures. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Review and comment on the draft Transportation Investment Plan categories and distributions; and
2. Review the list of proposed local projects to be placed in a transportation expenditure plan for consideration under a sales tax measure; and
3. Direct staff to support SLOCOG efforts to develop a final transportation expenditure plan and administrative ordinance for review and approval by August 16, 2016 for consideration of a November 2016 ballot measure.

Based on support for recommendations 1 – 3, it is further recommended that the Board:

4. Adopt the attached resolution designating the San Luis Obispo Council of Governments (SLOCOG) as the regional Local Transportation Authority and Transaction and Use Tax District for purposes of the administration of regional transportation designated.

DISCUSSION

Over the past thirty years, funding for transportation has shifted to the regional level to ensure sufficient investment in the transportation system. Traditional funding sources such as gas taxes have not kept pace with system maintenance requirements let alone address capacity and enhancement needs for our area. As a result, twenty counties have established “Self-Help” status by enacting local sales tax measures for transportation improvements. The current list of “Self-Help” counties covers about 80% of California’s population. Of the remaining counties, about ten are looking to place before voters a sales tax measure in order to address their transportation needs.

A first step in development of “Self-Help” County status is to establish a Transportation Authority to administer an adopted transportation program defined under the initiative. Per Public Utility Code 180050, a County Board of Supervisors may create a Local Transportation Authority (the “Authority”) as either an individual entity or may designate a transportation planning agency to serve as an authority. The San Luis Obispo Council of Governments (SLOCOG) serves as the regional transportation planning agency for the County and the seven cities. This Authority will also establish a district under the Transactions and Use Tax Law (Revenue Code Section 7251) for the administration and distribution of the collected revenues under a specific transportation sales tax measure.

By selecting SLOCOG as the Transportation Authority, the structure and representation for the County and cities is already well established. Staffing to support the administration of the program is also already in existence and requires no additional management level staff.

Designation of the Local Transportation Authority is not an action to support a sales tax measure but only an organizational step in providing the option to pursue a sales tax measure. In the future, should the SLOCOG board decide to move forward with a transportation sales tax measure, a two-thirds vote in support of that action is required from the SLOCOG board. In addition, a majority of City Councils must also support the action to move forward. Finally, your Board must also support the action, with an adopted Transportation Expenditure Plan, in order to place the measure on the ballot. A transportation sales tax measure must receive two-thirds voter approval to pass (Public Utility Code 180206(b).)

Once the Local Transportation Authority is established, some other notable responsibilities under the Public Utility Code which need to be addressed include:

- Adoption of an administrative code for program implementation
- Define requirements for audits and record keeping
- Annual reporting and budget requirements
- Ensure revenue is supplemental to existing transportation funding levels
- Adoption of an oversight committee for program fiscal review
- Management of the adopted Countywide Transportation Expenditure Plan

Further development of this ordinance should be done over the next few months in parallel with the sales tax measure if directed by the Board.

In moving forward for a tax measure proposal, Public Utility Code Section 180206 requires that a Transportation Expenditure Plan be adopted and presented to the public under the ballot measure. The task of putting together this plan would be a subsequent step in which County staff would work with SLOCOG to organize particular projects and programs for delivering on the commitments made under the measure. Once this plan is drafted, it will be reviewed by the city councils and then by your Board over the next two months. If there is sufficient support to proceed with an election, a final plan and ordinance will be brought to your Board with a proposed tax measure later this summer.

The attached “SLOCOG’s Self-Help County Efforts” summary of the proposed Transportation Investment Plan outlines the next steps in undertaking a tax measure as well as proposed funding distributions and designations.

The tentative program categories for funding include:

PROGRAM CATEGORY	DESCRIPTION	FUNDING DISTRIBUTION
Local Road Repairs and Transportation Improvements	<ul style="list-style-type: none">- 36% Local Road Repair/Rehabilitation- 10% of funding to Community Enhancements (Complete streets, Streetscapes, Safety)- 4% to "Safe Routes to School"	50%
Regional Projects	Operational Improvements to US 101 (Congestion through Pismo Beach)	25%
Bike and Pedestrian Safety/Connectivity	Regional Connections such as Bob Jones City to Sea Trail, Templeton – Atascadero Connector, Morro Bay – Cayucos	15%
Transit	Transit Operation Support, Senior Vans, Rideshare, Park and Ride	10%
Administration	SLOCOG Staff Administration	< 1%

The Local Road Repairs category includes a proposed fund distribution formula based on a \$150,000 minimum allocation per agency with the remainder distributed by a jurisdictions population. Under this proposal, the County would receive about 41% of the revenues provided from this category.

It is expected that near term projects will be identified in a proposed tax measure and would be expected to include upgrades or construction to facilities such as US Highway 101, Bob Jones Bikeway, Coastal Trail, Atascadero-Templeton Connector and community paths and enhancements. These designations would be under the Regional Projects and Bike and Pedestrian categories.

Attached is a tentative list of projects, which could be placed in Local Transportation Improvements for the proposed measure, by community.

SLOCOG staff will present the proposed plan for the Board's review and comment.

OTHER AGENCY INVOLVEMENT/IMPACT

San Luis Obispo Council of Governments, as the regional transportation planning agency, is the authority for the distribution of the funds to individual agencies. The SLOCOG Board adopted a resolution requesting the Board of Supervisors designate the agency as the Local Transportation Authority at their April 6, 2016 meeting.

SLOCOG staff has indicated they are seeking support of all city councils for a tax measure to proceed to an election later this year. A final review and approval would be required by the Board of Supervisors before the measure could be placed before the voters. If a November 2016 ballot is anticipated, then your Board would need to act on the measure package by mid-August.

Staff would review this proposal, and associated projects, with the Area Advisory Councils prior to returning to your Board this summer on any final action moving forward.

If the tax measure is pursued, the Clerk-Recorder will include the measure on the November ballot.

County Counsel reviewed the amendment for form and legal effect.

FINANCIAL CONSIDERATIONS

There is no cost associated with this action. If a tax measure pursued, analysis by SLOCOG has indicated a half cent sales tax would generate at least \$25 million annually. Administrative costs for implementation would be provided by the supplemental revenue source. Based on the proposed formula for the "Local Road Repairs and Improvement" program component, the County may expect \$5 million annually during the duration of the program. These funds would be committed to road rehabilitation, community bike and pedestrian enhancements and "safe routes to schools."

As part of transportation tax measure statutes, the State legislature intended revenues to supplement existing funds for transportation. Toward that end, tax measure ordinances contain a "Maintenance of Effort (MOE)" provision. This would be for discretionary general funds in addition to Roads related revenues. Development on the criteria is on-going with SLOCOG staff but would likely be based on average General Fund contribution by a Local jurisdiction over the past three fiscal year. Exemptions would be included for any extraordinary funding such as "one-time" funding designations adopted as part of the jurisdictions annual budget. No escalation clause is expected as part of the MOE for the measure.

RESULTS

Execution of this resolution will establish a Local Transportation Authority for the County of San Luis Obispo as provided for under the Government Code. Processing work under a Transportation Authority provides for a well-governed community.

ATTACHMENTS

1. SLOCOG's Self-Help County Efforts Summary
2. Proposed Local Projects for inclusion in a Transportation Expenditure Plan
3. Content Outline – Administrative Ordinance for Authority (Recommended safeguards)
4. Resolution for the Designation Of The San Luis Obispo Council Of Governments As The Local Transportation Authority And Transactions And Use Tax District For Transportation Designated Revenues In San Luis Obispo County

c: Ron DeCarli – SLOCOG

File: CF 50.30.02 SLOCOG

Reference: 16APR19-BB-3

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